



November 8, 2007

TO: All Michigan Legislators

FROM: The Michigan Fiscal Responsibility Project

RE: PA 93 Repeal Must be Revenue Neutral and Protect Essential Services

Repealing Public Act 93 (the sales tax expansion law) without replacing the revenues will end health care for thousands of children and elderly residents, lead to reductions in essential local services such as police officers and firefighters, and force more tuition increases for college students.

If PA 93 is repealed, the Michigan Fiscal Responsibility Project (MFRP) urges all lawmakers to fully replace the revenues that would be lost. We also urge the Legislature to fully replace the revenues with a permanent and stable source that will address the state's structural budget deficit.

The MFRP understands why Michigan employers are angry with the service tax law/PA 93. It appears to be unfair, unevenly applied and confusing. At the same time, Michigan employers must share in funding the essential public services that state tax revenues support, including public safety, education, health care and other human services.

As responsible community and corporate citizens of Michigan, the business community clearly understands the need to provide support for the health care, human services, higher education and public safety costs of the current fiscal year as well as future inflationary costs. We applaud those employers who are leading the effort to fully replace the revenues that would be lost with the repeal of PA 93.

Members of the MFRP include the Presidents Council State Universities of Michigan, the Michigan Municipal League and the Michigan Nonprofit Association. Supporters of the MFRP have also included major health care organizations, organized labor, K-12 schools, senior citizen advocacy groups, and major providers of human services.

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